

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: May 31, 2006

PAYROLL LETTER #06-007  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief  
Personnel/Payroll Services DivisionRE: **RANK AND FILE BARGAINING UNIT 02 COBEN BENEFIT ALLOWANCE REFUNDS**

Pursuant to the July 1, 2005 contract agreement a retroactive Consolidated Benefits (CoBen) Benefit Allowance refund is being issued to eligible rank and file bargaining unit 02 (R02) employees during June 2006. The CoBen Benefit Allowance rate is retroactive to January 1, 2006 (December 2005 pay period). The refund is being calculated on a month-by-month basis for the December 2005 through April 2006 pay periods. The new R02 2006 CoBen Benefit Allowance rates were updated to reflect the rate increase as of June 1, 2006 (May 2006 pay period).

#### REFUND CALCULATION

The monthly refund amount will be based on the difference between the old R02 CoBen Benefit Allowance rates and the new CoBen rates in effect as of June 1, 2006. Rates are calculated for each monthly health deduction, according to the employee's party rate code.

Party Rate Code	New CoBen Rate	Old CoBen Rate	Monthly Refund Amount
1	\$365.00	\$266.00	\$99.00
2, 4, 7 or A	\$696.00	\$515.00	\$181.00
3, 5, 6, 8, 9 or B	\$906.00	\$679.00	\$227.00

#### MONTHLY ELIGIBILITY

To be eligible for a month's refund the employee must have been an R02 employee during the month and must have had a CoBen health deduction withheld. For example, if the employee was a newly hired R02 employee as of February 6, 2006 and received pay with CoBen health coverage with a party rate code of '2' for the February through April 2006 pay periods the employee would qualify for three monthly refund amounts of \$181.00 for a total refund of \$543.00.

#### PAYMENT INFORMATION

Once the amounts are determined for each eligible month, they will be summarized into one total refund amount. A 354-050 Deduction/Organization code will be used to issue the summarized refund on a Payment Type 'P' credit issue warrant which will be issued against the most current pay period being refunded. This deduction will be identified on employee's earnings statements and direct deposit advices as "\*\*HEALTH ADJ". Federal and state taxes and Social Security and Medicare tax if applicable will be withheld from the payment.

Questions regarding this payroll letter should be directed to Sandy Westlake at (916) 324-9008 or via email at [swestlake@sco.ca.gov](mailto:swestlake@sco.ca.gov).

JRH:SW:PMAB